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Diana T Fritz 12/06/2006 04:36:21 PM From DB/Inbox: Diana T Fritz

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Text:

S E C R E T ABU DHABI 04397

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ACTION: POL
INFO: ECON FCS DCM DAO AMB P/M USLO

DISSEMINATION: POLM
CHARGE: PROG

APPROVED: AMB:MSISON
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RHEHAAA/WHITE HOUSE WASHDC
RHEHNSC/NSC WASHDC
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

S E C R E T SECTION 01 OF 02 ABU DHABI 004397

SIPDIS

DEPT FOR PM A/S HILLEN, NEA/ARP, EB/ESC/IEC/EPC
ENERGY FOR SENIOR FOREIGN POLICY ADVISOR MOLLY WILLIAMSON, SENIOR
ADVISOR GETTO, AND DAS BRODMAN
OVP FOR KEVIN O'DONOVAN
NSC FOR TOWNSEND, AND ZARATE

E.O. 12958: DECL 12/4/16
TAGS: EPET ENRG EINV PTER AE
SUBJECT: UAE OIL SECTOR - CRITICAL INFRASTRUCTURE STILL VULNERABLE

(U) Classified by Ambassador Michele J. Sison for reasons 1.4 (B) and (D).

REFS: ABU DHABI 3370, ABU DHABI 2445, 05 ABU DHABI 4367, 05 ABU DHABI 3439, 05 ABU DHABI 3243

¶1. (S) Summary: U.S. and UAE corporate officials told visiting PM officer Bruce Averill that the UAE has undertaken some improvements in protecting its critical infrastructure and some steps toward developing an integrated crisis management structure, but that progress has been glacially slow. They noted the vulnerability of both Jebel Dhana port (the UAE's main export terminal with a capacity of 1.5-1.6 mb/d) and the UAE's power and desalination plants to attacks, as well as oil slicks and other water-borne pollution. End Summary.

¶2. (C) The November 14 visit of Bruce Averill, William C. Foster Fellow in the Bureau of Political Military Affairs, provided an opportunity to obtain an update from U.S. companies and UAE oil officials on the UAE's progress in protecting its critical infrastructure. Averill and Econchief met with Raytheon International Vice President Middle East Robert Lunday, Exxon Al-Khaleej President Frank Kemnetz, ADNOC Offshore Division Manager Ali Al-Shamsi, Supreme Petroleum Council Crisis Management Team Leader Nick Glover, and ADNOC's new Head of Security Martin Fuller. (Protect all).

Assessing the Problem

¶3. (S) Over the past few years, Abu Dhabi has commissioned at least

three different risk assessments of its onshore and offshore oil and gas facilities: an offshore risk assessment, an onshore assessment, and an "independent" assessment commissioned by the Minister of Presidential Affairs, Sheikh Mansour bin Zayed Al-Nahyan. The UAE has taken some steps to address the deficiencies identified. ADNOC recently brought in a new head of security, Martin Fuller, who is seconded from BP and a former UK military officer. It appears, however, that progress has been glacially slow. Glover commented that ADNOC (or the larger UAE) appeared to still be "in the denial phase" with regard to security. With regard to the power and water system, Glover noted that the UAE's electricity grid is still not interconnected and that sea water intakes for power/desalination plants are vulnerable to oil spills.

¶4. (S) The critical infrastructure protection problem is exacerbated by the large number of players involved, including the Ministry of Interior's oil field security division, the coast guard, and the UAE military. Currently, the oil field security division provides physical protection and security for the onshore fields and facilities, as well as background screening for all ADNOC employees. Kemnetz explained that, although ADNOC funds the security program, until recently it has had little input (or interest) in security, because that was an MoI prerogative. Kemnetz suggested that ADNOC's security reviews were premised on a concern that they might not be getting the security that they were paying for.

¶5. (C) In November, Martin Fuller joined ADNOC as head of security; he appears to be eager to improve security, first at the onshore facilities and then offshore. He explained that he was hopeful that ADNOC would be issuing a tender for the next phase of physical security improvements soon (either by the end of November or possibly as late as January 2007. In three to four months, he said, the tender could theoretically be granted and that phase could be completed in around a year. Fuller asserted that these security improvements were within the authority of the operating companies to undertake. (Note: Fuller is still new to his job, and he has not fully internalized all of the bureaucratic issues that he will face. End Note.)

Jebel Dhana Port Vulnerable

¶6. (S) Glover briefly described vulnerabilities of the Jebel Dhana port/Ruwais power plant infrastructure. He said that the port had three single point moorings (SPM) and the worst Very Large Crude Carrier (VLCC) channel "in the world. There is a 120 degree turn in the shipping channel and a second 60 degree turn in a channel that is only 400 meters wide. The channel is dredged to 20 meters, but the edge is a "sheer wall" to 5 meters. In addition, there is a high spot in the channel that can only be cleared at high tide. He noted that tankers had grounded in the channel several times in the last few years. In summer 2005, the former GM of the Abu Dhabi Company for Onshore Oil Operations (ADCO) told econchief that he thought that Jebel Dhana was vulnerable to maritime attacks. If it were taken out, he noted, ADCO would "be out of business for months." (ref d)

¶7. (S) In addition, Glover explained that the neighboring power/desalination plant was vulnerable to oil spills. Two years ago, its water intakes had "no protection", but now there is a berm. The sea water intakes for the primary power plant are in only 6 ft of water. The plant is now operating on diesel fuel rather than natural gas and has its own SPM for offloading diesel. It is, however, highly vulnerable to diesel spills.

Vulnerability of Offshore Installations

¶8. (S) Lunday explained that the UAE understands the vulnerability of its coasts, borders, and offshore oil and gas facilities. He stated that security at the UAE's main offshore facility, Das Island, is weak. He also noted that Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al-Nahyan (MbZ) had asked Raytheon for capabilities, including anti-missile defenses and other weaponry, to protect the offshore oil infrastructure from attack. Lunday stated that oil companies preferred to have only surveillance capability rather than weapons on their facilities, since weapons raised insurance rates. For this reason, MbZ "wanted barges" in the area to serve as weapon

emplacements. Lunday noted that the biggest challenge was command and control and determining whether a fishing boat was a threat or not. In addition, he explained that much of the UAE's offshore defenses were currently helicopter mounted, which meant that response time from shore bases was a factor in the equation. (Comment: NAVCENT is proposing a war game with the UAE Navy involving protection of offshore oil facilities to take place in December or January. This effort could help jump start our broader efforts with the UAE on critical infrastructure protection.)

Crisis Management

¶ 9. (S) Lunday provided a brief history of the UAE's efforts to improve its crisis management capabilities. Currently the UAE lacks a centralized command and control system, and police and military communications systems are not interoperable. Lunday explained that the Ministry of Presidential Affairs had contracted with Raytheon to design a strategy to develop and operate a crisis management structure. (Ref A). The concept would be to develop a National Emergency Management Agency to oversee the national crisis management center that coordinated all UAE federal and emirate level authorities. In June, the UAE established its National Security Council. There is currently a directive to designate a head of the National Emergency Management Agency. In the meantime, Lunday noted that Dubai wanted to create its own crisis management center and that it would replace Dubai Police's "old center," which is better than anything that Abu Dhabi has. The problem, Lunday stated, is that all players agree on the need for a coordinated approach to crisis response, but they are not yet cooperating. In the meantime, ADNOC is continuing to set up its own state of the art crisis management center, using web/EOC software. Glover said that he would be more than happy to make the system or center available to any interested UAEG entity. His crisis response teams are also training constantly.

Sison